

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration & Urban Development Department – Vijayawada Guntur Tenali Mangalagiri Urban Development Authority – Development of Singapore Model Township at Nowluru, Mangalagiri Mandal, Guntur District – Permission to revise the Plans and to adjust the amount paid towards the cost of land – Orders – issued.

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MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (I₂) DEPARTMENT

G.O.Ms.No. 275

Dated:02.07.2010.

Read the following:

1. G.O.Rt.No.203, Municipal Administration and Urban Development Department, Dated:26.02.2007.
2. From the Chairman, Arihant Indo African Infra Developers & Builders Pvt. Ltd. Representation Dated:07.01.2010.
3. From the Vice Chairman, Vijayawada Guntur Tenali Mangalagiri Urban Development Authority, Vijayawada Letter No.C3-1257/06, Dated:18.02.2010.

ORDER :

M/s Arihant Indo-African Infra Developers and Builders Pvt. Ltd. has represented that they are the highest bidder for the Singapore Modal Township at Mangalagiri offering an amount of Rs.92.01 Crores. After receiving Letter of Award they have paid a Project Development fee of Rs.92,00,000/- and Bank Guarantee for Rs.9.20 Crores and entered into a License Cum Development Agreement on 09.07.2007. They have submitted the detailed Plans to VGTM UDA and also paid building development fee of Rs.1.81 Crores and also paid installments due to VGTM UDA and till to date they have paid an amount of Rs.44.53 Crores. Subsequently they launched the Project and spent nearly Rs.5.00 Crores on the advertisements and other related expenditure incurred towards the launch. But the response to the Project was not quite up to their expectations. The proposed SEZ is also not materialized due to economic slowdown which was a major setback to them as they had banked heavily on the SEZ to market their Project. Due to biggest economic recession they could not ground the Project. As such they are not in a position to pay the balance amount of Rs.52.99 Crores due to worst ever economic recession unless a portion of the flats are booked. Further they have represented that they will take up the Project with affordable housing as there is no longer a demand for luxury houses.

M/s. Arihant Indi-American Infra Developers and Builders Private Limited have therefore requested the Government to:

- i. Transfer the ownership of the proportionate land for the value / amount already paid by their Company to VGTM UDA.
- ii. Release of their Bank Guarantee of Rs.9.20 Crores.
- iii. Building Development charges of Rs.1.80 Crores may be adjusted to their revised plans and the balance amount may be refunded at an appropriate time.

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2. The VC, VGTM UDA has reported that in the G.O. first read above permission has been accorded to Vijayawada Guntur Tenali Mangalagiri Urban Development Authority for development of Singapore Modal Township at Mangalagiri, Guntur District under PPP mode subject to certain conditions. M/s Indo African Developers and Builders Pvt. Ltd. have emerged as the highest bidder for the above Project and VGTM UD Authority has entered into Development-cum-Power of Attorney with the above developer. The site was handed over to the developer 24.01.2008 and fulfilled other obligations as per the agreement. The developer has not taken up development works / construction of flats.

3. Government after careful examination of the matter here by accept the request of M/s Arihant Indo African Developers and Builders Pvt. Ltd. for transfer of ownership of the proportionate land for the value/amount already paid to Vijayawada Guntur Tenali Mangalagiri Urban Development Authority keeping in view the present economic recession in the market. The other conditions of the Development Agreement holds good.

4. The Vice Chairman, Vijayawada Guntur Tenali Mangalagiri Urban Development Authority shall take necessary further action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**T.S. APPARAO,
PRINCIPAL SECRETARY TO GOVERNMENT (UD)**

To

The Vice Chairman, Vijayawada Guntur Tenali Mangalagiri Urban Development Authority, Vijayawada.

M/s Arihant Indo African Developers and Builders Pvt. Ltd. through the Vice Chairman, Vijayawada Guntur Tenali Mangalagiri Urban Development Authority, Vijayawada.

Copy to:

The Principal Secretary to Chief Minister.

The P.S. to Minister for Municipal Administration.

Sf/Sc.

//FORWARDED BY ORDER//

SECTION OFFICER